

Questions and Answers

EPA's Request for Applications for Drinking Water Contamination Warning System Pilots

Updated July 24, 2007

This document summarizes questions received and responses provided by EPA regarding the Agency's Request for Applications (RFA) for Drinking Water Contamination Warning System Pilots (available at this URL: <http://cfpub.epa.gov/safewater/watersecurity/initiative.cfm>).

Listed below are questions from two webcasts, held June 18 and June 20, as well as questions emailed to the Agency Contact for this RFA through July 24. Additional questions may be sent to schmelling.dan@epa.gov not later than August 10, 2007. EPA will respond to questions regarding threshold eligibility criteria, administrative issues related to the submission of the application, and requests for clarification about the announcement. EPA staff will not discuss draft applications or provide advice to applicants on how to respond to ranking criteria. This page will be updated regularly to reflect additional questions as received.

Questions and Answers:

Q1: Are wholesale water systems eligible to apply under this RFA? Also, may smaller water systems join together in order to be considered large enough to be eligible?

A1: To be eligible, an applicant must operate a community water system that serves a retail population of at least 750,000. A single water system with multiple public water system IDs (PWSIDs) may add together populations served by all its PWSIDs to meet the eligibility requirement. However, multiple water systems in buyer-seller relationships may NOT add together populations served by different systems to meet the eligibility requirement. Thus, wholesale systems without at least 750,000 retail population served aren't eligible.

Q2: Will applications submitted under this RFA be confidential? Do you have suggested guidelines for how to provide necessary information for adequate proposal review without releasing sensitive information?

A2: As described in Section IV.J of the RFA, applicants may claim all or a portion of their application as confidential business information. Applicants must clearly mark portions of applications they claim as confidential. For example, a page header or footer or a front page designating confidential sections may be used. If no claim of confidentiality is made, EPA is not required to make inquiry to the applicant prior to disclosure. (*see expanded response under A13*)

- Q3: How many water systems are eligible to apply, nationally?
- A3: EPA estimates that approximately 28 water systems nationally meet the eligibility criteria of at least 750,000 retail population served and nonprofit status.
- Q4: Can we incorporate some type of partnership into the RFA? Can a coalition of water systems apply?
- A4: As described in Section II.E of the RFA, EPA awards funds to one eligible applicant as the “recipient” even if other eligible applicants are named as “partners” or “co-applicants” or members of a “coalition” or “consortium”. The recipient is accountable to EPA for the proper expenditure of funds. Funding may be used to provide subgrants or subawards of financial assistance to fund partnerships. However, applicants cannot use subgrants or subawards to avoid EPA requirements for competitive procurement of commercial services or products from for-profit organizations. Letters of support from potential partner entities are encouraged.
- Q5: Can we partner with a consulting firm to put together the proposal (the consulting firm would help put together the proposal at no cost and later get compensated work if the proposal is selected)? We are trying to confirm that use of consultants would not fall under competitive procurement requirements. Would we need some sort of written agreement with consultant as part of the RFA submittal?
- A5: The use of consultants falls under competitive procurement requirements. You may use a consulting firm to help put together the proposal. However, as stated in Section II.E of the RFA, if the proposal is funded, you may not award a sole source contract to the consulting firm based on the firm’s role in preparing the proposal. Successful applicants must compete contracts for services and products. Applicants are not required to identify contractors or consultants in their applications. Moreover, naming a specific contractor or consultant in the application does not relieve a successful applicant of its obligation to comply with competitive procurement requirements.
- Q6: One of our proposed partners would be the EPA Regional Laboratory Network. Since this is an EPA sponsored group, how should we incorporate that partnership into the RFA?
- A6: EPA will provide cooperative technical assistance where available and requested to all successful applicants. However, as the funding agency for this RFA, EPA will not serve as a “partner” on a proposal. Further, applicants should describe their proposed use of available resources, including EPA resources like laboratories and laboratory networks, in their project narratives.

- Q7: Is there an example of a similar application from a previous year that would be available for review?
- A7: No. However, supporting material about drinking water contamination warning system design and deployment is available on the EPA Water Security initiative website (<http://cfpub.epa.gov/safewater/watersecurity/initiative.cfm>). Supporting material on grant applications can be found on the website (www.grants.gov).
- Q8: Considering the complexity of this project, this seems like a relatively short timeline for applications. Is there any consideration for extending the deadline?
- A8: EPA has extended the application deadline to September 10, 2007. Further, the deadline for asking questions of the Agency Contact for this RFA is now August 10, 2007. An amended RFA that shows these extended deadlines is posted on the EPA Water Security initiative website (<http://cfpub.epa.gov/safewater/watersecurity/initiative.cfm>).
- Q9: How does EPA define “nonprofit institution” for purposes of eligibility for this RFA?
- A9: The Safe Drinking Water Act, section 1450(d)(2), defines the term “nonprofit agency or institution” as *an agency or institution no part of the net earnings of which inure, or may lawfully inure, to the benefit of any private shareholder or individual.*
- Q10: Procurement and hiring will take about one year to complete. Should the start date be one year after award, or should projects that do not require new staff or procurement start immediately and others be crunched in the last two years?
- A10: EPA generally expects the formal project start date to occur within several weeks of award acceptance by the successful utility. The three-year project period, which begins with the start date, should include all activities in the approved work plan, including all expenditures in the project budget. Procurement and hiring that will be funded through the project should occur as soon as practicable after the start date.
- Q11: Can we take credit for purchases and security improvements funded since September 11, 2001, or is the in-kind share limited to purchases made during the three-year grant? Can salaries of Police Officers dedicated (100% time) to the protection of the Water Supply be used for the 20% match?
- A11: Regulations for cost-sharing or matching, including in-kind contributions, are stated in the Code of Federal Regulations, Chapter 40, part 30.23 for nonprofit organizations and part 31.24 for local governments.
- In general, to take credit for an in-kind contribution, it must be necessary and reasonable for proper and efficient accomplishment of project objectives. It may not have been paid for by the Federal Government under another grant or counted towards satisfying another Federal cost sharing requirement.

- For equipment that meets these criteria and is loaned or donated to the project, normally only depreciation or use charges (e.g., fair rental rate) may be counted. However, the full market value of equipment at the time of donation may be allowed if approved by EPA. This approval may be given only if purchase of the equipment would be an allowable direct cost.
- Services furnished by personnel may be counted as cost sharing or matching if the service is an integral and necessary part of the approved project. Rates shall be consistent with those paid for similar work in the grantee's organization or labor market and may include reasonable fringe benefits.

For Water Security Initiative contamination warning system demonstration projects, the project approach, as described in the Request for Applications, is on demonstrating and evaluating monitoring and surveillance components and a consequence management plan. Existing equipment that is incorporated into monitoring and surveillance components can be counted as an in-kind contribution under the conditions described above. However, other types of security improvements would likely fall outside of the project scope.

With respect to personnel, all time spent on project-specific activities like designing, installing, operating (including investigation of alarms), maintaining, and evaluating contamination warning system components in the approved project may be counted. However, time spent by police officers on unrelated water supply protection activities would be outside the project scope.

- Q12: Is the reporting of grants performance limited to USEPA funded grants to the City agency, or is it comprehensive to include CDC-funded grants such as Biowatch and other CDC-funded grant to the City Department of Health?
- A12: As described in the Request for Applications, the reporting of grants performance should include both federal and nonfederal assistance agreements (e.g., grants) that your organization has performed and that are relevant to the proposed project. If the named applicant is a local government, then a past relevant grant received by any agency of that local government could be included. If the named applicant is a specific agency or institution, then only past grants received by that specific agency or institution could be considered.
- Q13: What parts of the grant applications are subject to public review or FOIA review? How can applicants keep all or parts of their applications describing current practices confidential? This information may not be business confidential but may be security confidential. If awarded a grant, will an applicant be able to keep any of the work products (outputs) confidential for security reasons. Section J refers to "Confidential Business Information." Can "Protected Critical Infrastructure Information" (PCII) be claimed?
- A13: As described in section IV.J of the Request for Applications, applicants may claim all or a portion of their application as confidential business information. To do so, applicants

should mark the confidential portions of the application using a header, footer, cover sheet, or other clear notice with language like “proprietary” or “confidential”. Portions of applications that are not designated as confidential may be disclosed. For application material marked as confidential, EPA will follow the regulations stated in 40 CFR Part 2.

Under 40 CFR 2.208, information is entitled to confidential treatment for the benefit of a particular business if the business has asserted a confidentiality claim, has taken reasonable measures to protect the confidentiality of the information, the information is not reasonably obtainable without the business’s consent by other persons, and either the business has shown that disclosure is likely to cause substantial harm to the business’s competitive position or the information is voluntarily submitted and its disclosure would impair the Government’s ability to obtain necessary information in the future.

Information that is entitled to confidential treatment under 40 CFR Part 2 is not subject to public review or FOIA review. EPA recognizes the legitimate interests of utilities in maintaining the confidentiality of security-related information. The Agency will protect such information from disclosure as allowed in 40 CFR Part 2. There is not, however, a separate designation for unclassified information as “security confidential”.

EPA is currently investigating the application of the Department of Homeland Security’s Protected Critical Infrastructure Information (PCII) Program to the Water Security Initiative. At this time, however, information provided in response to the Water Security Initiative Request for Applications is not covered under the PCII Program.